

Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.

Government to tighten rules for payment of over BDT 50,000 by businesses

- The government may make it mandatory for businesses to use formal channels such as banks and mobile financial services for transactions involving more than BDT 50,000 from the next fiscal year. The move, if implemented, will encourage fund transfer through formal channels and give a major fillip to MFS and other digital means. In case of non-compliance, businesses are likely to see that tax officials disallow the expenses claimed on account of payment. This will formalise a large number of transactions and curb tax evasion. It will be beneficial for the overall economy, said a senior official of the finance ministry.
- The tax authorities plan to include MFS and other digital means in its rule as the money changing hands through electronic channels has increased significantly in recent years. Today, Bangladesh has 15 MFS providers, transacting about BDT 20.00 billion daily. Two years ago, the average daily transaction through MFS was just over BDT 11.00 billion, BB data showed. MFS providers have 102.7 million account-holders.

<https://www.thedailystar.net/business/economy/news/govt-tighten-rules-payment-over-BDT-50000-businesses-2101421>
<http://www.newagebd.net/article/139160/govt-to-allow-businesses-mfs-transactions-for-tax-purpose>

Agriculture to get increased subsidy in next budget

- Government subsidies in the upcoming budget for the fiscal year 2021-22 are likely to increase by almost BDT 100 billion (10,000 crore) with the agriculture sector slated to get the highest allocation. The agriculture gets the priority in line with the government's policy to ensure food security during the ongoing COVID-19 pandemic, said the sources at the Finance Ministry and the National Board of Revenue (NBR). They hinted that the total subsidy amount for the next fiscal might reach BDT 490 billion, up from BDT 386 billion in the current budget.
- This amount is almost 8.0% of the proposed BDT . 6.02 trillion budget, said the sources. An amount of BDT 95 billion was earmarked for subsidising the agriculture sector, they said. According to the sources, the revenue target for the next fiscal has been set BDT 3.89 trillion, where BDT 3.30 trillion will be contributed by the NBR.

<https://today.thefinancialexpress.com.bd/trade-market/agriculture-to-get-increased-subsidy-in-next-budget-1622297463>

Japanese firm assesses Bangladesh as rapidly developing, attractive market

- Japanese business group Marubeni Corporation has assessed Bangladesh as one of the most rapidly developing, high potential and attractive market. For this, the firm said that they are focusing on high quality eco-friendly and sustainable infrastructure development in Bangladesh. In line with this, the Japanese firm recently joined hand with Electricity Generation Company of Bangladesh Limited (EGCB) to develop 100 MW solar PV power plant in Feni located in Bangladesh's Chittagong region.

<https://www.tbsnews.net/economy/trade/japanese-firm-assesses-bangladesh-rapidly-developing-attractive-market-252643>

Sonali Life IPO subscription begins Sunday

- The initial public offering (IPO) subscription of the Sonali Life Insurance Company will begin Sunday and continue until 3 June. The Bangladesh Securities and Exchange Commission (BSEC) is going to launch the pro rata-based method instead of the current IPO lottery system with the IPO subscription of Sonali Life Insurance. Earlier, on 9 December 2020, the regulator gave approval to the company for raising BDT 190 million from the stock market by issuing 19 million shares through IPO. The shares will be offered to the public at a face value of BDT 10 each.
- The company will invest the fund in government securities, fixed deposit receipts (FDRs), and in the secondary market. According to the company's audited financial report for the year that ended on 31 December 2019, its net asset value per share was BDT 25.47, excluding revaluation, and its life insurance fund stood at BDT 953.3 million. The authorised capital of Sonali Life Insurance Company Ltd, which was incorporated in Bangladesh on 7 July 2013, is BDT 1.00 billion.

<https://www.tbsnews.net/economy/stocks/sonali-life-ipo-subscription-begins-sunday-252760>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$66.32	\$17.80	36.69%
Crude Oil (Brent)*	\$68.72	\$16.92	32.66%
Gold Spot*	\$1,903.77	\$8.67	0.46%
DSEX	5,985.82	583.75	10.81%
S&P 500	4,204.11	448.04	11.93%
FTSE 100	7,022.61	562.09	8.70%
BSE SENSEX	51,422.88	3,671.55	7.69%
KSE-100	47,126.29	3,370.91	7.70%
CSEALL	7,333.42	559.20	8.25%

Exchange Rates

USD 1 = BDT 84.82*

GBP 1 = BDT 120.39*

EUR 1 = BDT 103.41*

INR 1 = BDT 1.17*

**Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.*

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

BRAC EPL Stock Brokerage Limited

Research

Anika Mafiz	Research Analyst	anika.mafiz@bracepl.com	01708 805 206
Sadman Sakib	Research Analyst	sadman.sakib@bracepl.com	01730 727 939
Md. Rafiqul Islam	Research Associate	mrafiqulislam@bracepl.com	01708 805 229
Md Mahirul Quddus	Research Associate	mmahirul.quddus@bracepl.com	01709 636 546

International Trade and Sales

Ahsanur Rahman Bappi	CEO	bappi@bracepl.com	01730 357 991
----------------------	-----	--	---------------

BRAC EPL Research www.bracepl.com

Symphony, Plot No.: S.E.(F) – 9(3rd Floor), Road No.: 142
 Gulshan Avenue, Dhaka – 1212
 Phone: + (880)-2-9852446-50
 Fax: + (880)-2-9852451-52
 E-Mail: research@bracepl.com